

# DIRECTORS OF INSURANCE

YEAR	NAME	YEAR	NAME
1864-1913	Insurance Supervised by Auditors Office	1957-1959	John Binning
1913-1915	Lawson G. Brian	1959-1961	William E. Grubbs
1915-1918	W. B. Eastham	1961-1967	Frank J. Barrett
1919-1922	W. B. Young	1967-1971	Benjamin C. Neff
1922-1924	W. A. Fairchild	1971-1972	Samuel Van Pelt
1924-1927	John D. Dumont	1972-1975	James M. Jackson
1927-1934	David Dort	1975-1976	E. Benjamin Nelson
1934-1935	Lee Herdman	1976-1979	M. Berri Balka
1935-1941	Charles Smrha	1979-1983	Walter D. Weaver
1941-1946	C. C. Fraizer	1983-1987	Michael J. Dugan
1946-1946	Stanley R. Matzke	1987-1994	William H. McCartney
1946-1947	Donald R. Hodder	1994-1997	Robert G. Lange
1947-1953	Bernard Stone	1998-1999	Timothy J. Hall
1953-1953	Loren H. Laughlin	1999-Present	L. Tim Wagner
1953-1957	Tom Pansing		

# **DEPARTMENT OF INSURANCE STAFF**

Department Home Page: [www.nol.org/home/ndoi](http://www.nol.org/home/ndoi)

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## **ADMINISTRATION**

L. Tim Wagner  
Bruce Ramage, CPCU, CIE  
Peg Jasa  
Judy Meisner

Director of Insurance  
Chief of Market Regulation  
Public Information Officer  
Secretary

## **ADMINISTRATIVE SERVICES DIVISION**

Gary Timm  
Glen Riedel, CNE  
Barbara Sorensen, CPCU, AIE  
Mark Peterson, MCP  
Cyndie White  
Sue Williams  
Nora Arizola  
Julie Neal  
Lisa Linville  
Kathy Hoppel  
Barbara Case  
Doug Roberts  
Kim Harris

Accounting and Finance Manager  
Infrastructure Support Analyst Senior  
Infrastructure Support Analyst Senior  
Infrastructure Support Analyst  
Infrastructure Support Analyst  
Office Services Manager  
Accounting Clerk II  
Accounting Clerk II  
Accounting Clerk I  
Word Processing Specialist  
Office Clerk  
Office Clerk  
Receptionist

## **CONSUMER AFFAIRS DIVISION**

Jane Francis, FLMI  
Karen Dyke, CIE  
Barbara Ems  
Rhonda Hotchkiss  
Jeanette McArthur, AU  
Mickey Scheidt  
Cynthia Williamson, CEBS  
Scott Zager  
Lana Garrison, ALHC  
Beth Hollister

Administrator  
Insurance Investigator  
Insurance Investigator  
Insurance Investigator  
Insurance Investigator  
Insurance Investigator  
Insurance Investigator  
Insurance Investigator  
Staff Assistant  
Staff Assistant

## **EXAMINATION DIVISION**

David L. Krumm, CFE  
James Nixon, CFE  
Bruce Bornman, CFE, CIE  
Terry Sindelar, CFE  
Alfred Berchtold, CFE  
Dan Eckstein, ASA, CIE  
Annie Elliott  
Robert Gardner, CFE, CIE  
Ryan Gibson, AFE, FLMI  
Jeff Green, CFE  
Carol Haller  
Ryan Havick, AFE  
Martha Hettenbaugh  
Kim Hurst, CFE  
Tom James, CFE, CIE  
Michael Masuen, AES, CFE, CISA  
Lynn Nannen  
Carol Opp, AIE  
Derek Petersen  
Lisa Peterson, CFE, CISA, AES  
Kimberly Richards  
Isaak Russell  
Linda Scholl, CFE, COE  
Justin Schrader, CFE  
Shari Sohl  
Patrick Trinh  
Allen Wald, II  
Karen Walth  
Tadd Wegner, CFE  
Lynn Wiese  
Nicole Zimmermann

Chief Examiner  
Deputy Chief Examiner  
Assistant Chief Examiner  
Assistant Chief Examiner  
Financial Analyst  
Actuarial Examiner  
Financial Analyst  
Financial Examiner  
Financial Analyst  
Financial Analyst  
Administrative Secretary  
Financial Examiner  
Premium Tax Supervisor  
Financial Examiner  
Financial Examiner  
Financial Examiner  
Staff Assistant II  
Financial Analyst  
Financial Examiner  
Financial Examiner  
Financial Examiner  
Financial Examiner  
Financial Examiner  
Financial Examiner  
Burial Pre-Need Examiner  
Financial Analyst  
Financial Examiner  
Financial Analyst  
Financial Examiner  
Financial Analyst

## **HUMAN RESOURCES DIVISION**

Kathy Vandenberg

Personnel Officer

## **INSURANCE FRAUD PREVENTION DIVISION**

Chuck Starr  
Jim Snyder  
Mark Wolfe  
Connie Drake

Division Chief  
Fraud Investigator  
Fraud Investigator  
Administrative Assistant

### **LEGAL DIVISION**

Ann Frohman  
Janette Adair  
Mike Boyd  
Eric Dunning  
Christine Neighbors  
Keri Schechinger  
Martin Swanson  
Tracy Gruhn  
Sue Kuzelka

General Counsel  
Agency Counsel  
Agency Counsel  
Agency Counsel  
Agency Counsel  
Agency Counsel  
Agency Counsel  
Staff Assistant  
Staff Assistant

### **LIFE AND HEALTH DIVISION**

Jeanne Daharsh, FSA, MAAA  
John Rink  
LeAnn Hammar, HIA, ALHC  
Ronald Lobb, AIE, FLMI, ALHC  
Deb Cunningham

Actuary/Administrator  
Actuarial Assistant  
Life and Health Analyst  
Life and Health Analyst  
Staff Assistant

### **MARKET CONDUCT**

Reva Vandevoorde, CPCU, AIE  
Holly Blanchard  
Cathy Hoban, AIE, ACS, FLMI, AIRC, FLHC  
Ted Johnson, CPCU, AIE, ARM, AIC  
John Koenig, AIE, ACS, HIA, FLMI  
Carol McDermitt  
Marilyn Meier

Market Conduct Supervisor  
Market Conduct Examiner  
Market Conduct Examiner  
Market Conduct Examiner  
Market Conduct Examiner  
Market Conduct Examiner  
Market Conduct Examiner

### **PRODUCERS' LICENSING DIVISION**

Bev Creager  
Bob Mika  
Phyliss Bourne  
Rae Ann Mastny  
Janet Roberts  
Virginia Thompson

Administrator  
Training Director  
Staff Assistant  
Staff Assistant  
Staff Assistant  
Staff Assistant

**PROPERTY AND CASUALTY DIVISION**

Beverly Anderson, CPCU  
Stephanie Hobelman  
Connie Van Slyke  
Chris Williamson  
Gina Younger

Administrator  
Property and Casualty Analyst  
Property and Casualty Analyst  
Property and Casualty Analyst  
Staff Assistant

**PROPERTY AND CASUALTY ACTUARIAL DIVISION**

Alan Wickman, ACAS

Administrator

**SENIORS HEALTH INSURANCE INFORMATION PROGRAM**

Jina Ragland  
Vacant  
Nick Trede  
Sue Kuzelka

SHIIP Program Coordinator  
SHIIP Training Coordinator  
SHIIP Training Specialist  
SHIIP Staff Assistant

**STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE**

The Department of Insurance shall have general supervision, control and regulation of insurance companies, associations and societies, and the business of insurance in Nebraska, including companies in process of organization. The Director of Insurance shall be the chief administrative officer of the Department and shall have the power and duty to enforce and execute all the insurance laws of this state and make all needful rules and regulations for the purpose of carrying out the true spirit and meaning on this enactment and all laws relating to the business of insurance, and, to that end, may authorize and empower an assistant or employee to do any and all things that he/she may do on his/her behalf, and he/she shall see that all laws respecting insurance companies and insurance agents are faithfully executed. The Director or his/her representative shall issue all certificates and licenses as provided for in Chapter 44. The Director and his/her authorized representative shall have the power and authority to do all things and to perform all acts the Department is given the power and authority to do.

The Department of Insurance operates on a fiscal year that begins July 1 and ends June 30. Various fees that the Department collects fund the Department's operations. The table below presents fees collected during the last three fiscal years.

Fees: (Fiscal Year)	<u>FY 01-02</u>	<u>FY 02-03</u>	<u>FY 03-04</u>
Examination Fees	\$ 924,887	\$ 1,985,624	\$ 2,469,293
Admin. Fee Professional Medical Liability	54,921	113,789	106,644
Publications/Photocopies/Fraud Conference	59,412	52,523	50,861
Agent Certification	124,289	107,288	87,143
Legal Filing Fees	7,719	12,740	13,795
Miscellaneous Fees (Filing Fees)	9,273	12,227	6,926
Admin. Fees Premium Taxes	23,273	26,656	74,723
Pre-Admission Review Fees	31,316	21,500	26,200
P&C Filing Fees	189,758	207,830	181,490
L&H Filing Fees	135,082	113,790	127,191
Fraud Fee	321,523	332,173	328,606
Certificate of Authority	762,939	823,331	845,633
Agency License	311,002	320,023	341,832
Company Appointment/Cancellation	2,987,264	2,915,108	3,408,453
Agent's License	1,490,442	1,617,325	1,684,038
Utilization Review Agents	3,600	6,900	4,750
Continuing Education Approval/Course Comp.	78,495	75,590	72,210
Reinsurance Intermediary	1,250	2,350	3,500
Third Party Administrator	52,640	54,005	58,450
Pre-License Certification/Course Approval	17,025	17,520	16,975
<b>TOTAL FEES</b>	<b><u>\$7,586,110</u></b>	<b><u>\$8,818,292</u></b>	<b><u>\$9,908,713</u></b>

The Department of Insurance also collects taxes based on the premiums charged for insurance written in Nebraska. Tax revenue collected by the Department is distributed to other governmental units, including the General Fund, the Workers' Compensation Court, School Districts, Counties and Municipalities. The table below represents the premium tax revenue and administrative fines collected by the Department of Insurance and distributed to other government units for the last three calendar years.

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Premium Tax	\$ 50,545,123	\$ 52,570,646	\$ 56,594,900
Fire Insurance Tax	1,981,315	2,312,975	2,398,028
Workers' Compensation	2,638,952	3,023,675	3,185,546
Workers' Compensation Trust Fund	<u>0</u>	<u>4,373,876</u>	<u>223,815</u>
TOTAL TAXES	\$ 55,165,390	\$ 62,281,172	\$ 62,402,289
Interest Income from Premium Tax Prepayments	\$ 369,953	\$ 438,430	\$ 422,570
Late Payment Penalties and Administrative Fines*	270,175	92,924	277,520
Total Interest and Penalties	\$ 640,128	\$ 531,354	\$ 700,090
Total Revenue Distributed to Other Governmental Entities/Funds	\$ 55,805,518	\$ 62,812,526	\$ 63,102,379

\*Includes Neb. Rev. Stat. §44-322 forfeiture amount of \$100 per day until Annual Statement submission requirements are met.

### **ADMINISTRATIVE SERVICES DIVISION**

The Administrative Services Division provides support functions for all divisions of the Department of Insurance. This Division plays a key role in the development and operation of all agency information systems. This Division also provides all administrative support functions of the agency including budget and accounting functions, purchasing, records management, mail management, telephone services, word processing, office utilization, and general clerical support.

## **CONSUMER AFFAIRS DIVISION**

The Division personnel investigate consumer complaints, which includes the review and evaluation of insurance company handling and regulatory compliance. During 2004, the division opened 2,122 cases. The cases closed during 2004 reflect the following:

<b><u>Automobile</u></b>	<b><u>Investigations</u></b>	<b><u>Accident and Health</u></b>	<b><u>Investigations</u></b>
Private Passenger	621	Group	564
Commercial	32	Individual	377
Motorcycle	6	Credit	10
Other	6	Other	9
Total	665	Total	960

<b><u>Homeowners</u></b>	<b><u>Investigations</u></b>	<b><u>Fire, Allied Lines &amp; Commercial Multi-Peril</u></b>	<b><u>Investigations</u></b>
Homeowners	217	Fire/Allied Lines	4
Farmowner/Ranchowner	36	Commercial Multi-peril	27
Mobil Homeowner	4	Dwelling Fire	7
Renters/Tenants	8	Crop/Hail	2
Other	6	Builder's Risk	1
Total	271	Other	6
		Total	47

<b><u>Liability</u></b>	<b><u>Investigations</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Investigations</u></b>
General	47	Workers' Compensation	29
Professional/Errors & Omissions	3	Inland Marine	1
Umbrella	1	Title	18
Other	10	Watercraft	11
Total	61	Federal Crop	2
		Surplus Lines	7
		Extended Warranty/Svc. Contract	9
		Fidelity and Surety	2
		Other	39
		Total	118

<b><u>Life and Annuity</u></b>	<b><u>Investigations</u></b>
Individual Life	182
Annuities	61
Group Life	17
Credit Life	4
Other	7
Total	271



## **EXAMINATION DIVISION**

The Examination Division conducts examinations of licensed insurance companies to determine the financial condition of the company, its ability to meet and fulfill its obligations, and whether it has complied with the provisions of the Nebraska Statutes. Examiners' salaries and expenses are paid from a cash fund, the income of which is the reimbursement from insurance companies for time spent on, and actual expense incurred during the examination.

The Division's staff of financial analysts review the financial statements of the approximate 1,553 insurance companies licensed to do business in Nebraska. The analysts may recommend that an examination be conducted or that a company's authority to do business in Nebraska be suspended or revoked.

This Division is also responsible for audit and collection of premium tax, fire insurance tax, workers' compensation taxes and various renewal fees.

In addition to the above, major responsibilities include the admission of companies to do business in Nebraska, the regulation and examination of burial pre-need sales, regulation of purchasing and risk retention groups, regulation of third party administrators, review of holding company filings, and administration of insurance company securities placed on deposit with the Department.

The present staff of the Examination Division consists of a Chief Examiner, a Deputy Chief Examiner, two Assistant Chief Examiners, fourteen financial examiners, an actuarial examiner, a burial pre-need examiner, eight financial analysts, a premium tax analyst, a staff assistant, and an administrative secretary.

## **FINANCIAL EXAMINATIONS COMPLETED IN 2004**

<b>Company Name</b>	<b>Examination Type</b>
Acceptance Casualty Insurance Company	Financial
Acceptance Indemnity Insurance Company	Financial
Acceptance Insurance Company	Financial
Berkshire Hathaway Life Insurance Company of Nebraska	Financial
BHG Life Insurance Company	Financial
Blue Cross and Blue Shield of Nebraska	Financial
Columbia Insurance Company	Financial
Continental General Insurance Company	Limited Scope
Cornhusker Casualty Company	Financial
Douglas County Mutual Insurance Company	Financial
Global Surety & Insurance Co.	Financial
Grange Mutual Insurance Company of Custer County, Nebraska	Financial
Great West Casualty Company	Financial
Jefferson Pilot Financial Insurance Company	Financial
Knox County Farmers Mutual Insurance Company, Inc.	Financial
League Association of Risk Management	Financial
Medico Life Insurance Company	Limited Scope
MidAmerica Life Insurance Company	Financial
Mid-South Insurance Company	Financial
Motor Club Insurance Association	Financial
Mutual Protective Insurance Company	Limited Scope
National Fire & Marine Insurance Company	Financial
National Indemnity Company	Financial
Northern Nebraska United Mutual Insurance Company	Financial
Oak River Insurance Company	Financial

## **FINANCIAL EXAMINATIONS COMPLETED IN 2004 - CONTINUED**

<b>Company Name</b>	<b>Examination Type</b>
Redwood Fire and Casualty Insurance Company	Financial
Safeway Property Insurance Company	Financial
Scandinavian Mutual Insurance Company of Polk County, Nebraska	Financial
Security Financial Life Insurance Co.	Financial
United Dental Care of Nebraska, Inc.	Financial
United Healthcare of Midlands, Inc.	Financial
Wesco-Financial Insurance Company	Financial
World Insurance Company	Financial

## **HUMAN RESOURCES DIVISION**

The employees of the Department of Insurance are our most important resource, therefore, nondiscriminatory recruitment; selection of new employees entering the department workforce; maintenance and retention of existing employees; and the training and promotion of department employees is an ongoing concern.

The Human Resources Division is responsible for management of human resources with regard to personnel and payroll transaction; orientation of new employees; compensation and wage administration; benefits; coordination of performance evaluation plan forms; interpretation of the State Personnel Rules and Regulations and the State Labor Contract and Wellness in the Workplace.

The Division is also responsible for development and enforcement of the Affirmative Action Plan; Americans with Disabilities Act; Policies and Procedures Manuals; Tuition Assistance Educational Program; staff development and training.

## **INSURANCE FRAUD PREVENTION DIVISION**

The duties and responsibilities of the Fraud Division are to conduct investigations independent of or in conjunction with other law enforcement agencies when the Division has cause to believe that an act of insurance fraud has been, or is currently being committed. The Division also undertakes independent studies to determine the extent of fraudulent insurance activity in the State of Nebraska. The Fraud Division works in cooperation with law enforcement, prosecuting attorneys, and the insurance industry in the investigation and prosecution of insurance fraud violations. The Fraud Division is staffed with a Division Chief, two Insurance Fraud Investigators and an Administrative Assistant.

## **LEGAL DIVISION**

The Legal Division prepares Department regulations, bulletins and legal interpretations, represents the Department in administrative hearings, and processes applications by domestic insurers for certificates of authority, mergers, acquisitions and reorganizations. This Division also renders legal advice on policy form approvals, financial transactions, investments and agreements entered into by insurers as well as coordinating legislative matters. Enforcement of compliance with the Nebraska Insurance Statutes and Department of Insurance regulations by all insurers, insurance agents, brokers, and all others licensed by the Department of Insurance as well as unauthorized entities is performed by the Legal Division. The counsel for the Department acts as a liaison with the Attorney General's Office regarding all pending litigation and/or appeals from administrative rulings. The Legal Division also acts as counsel for the Director in connection with the supervision, rehabilitation or liquidation of insurance companies and advises the Director in connection with the operation of the Nebraska Property and Liability Insurance Guaranty Association, the Nebraska Life and Health Insurance Guaranty Association, the Medical Malpractice Excess Liability Fund and the Comprehensive Health Insurance Pool.

## **LIFE AND HEALTH DIVISION**

During 2004, the Life and Health Division approved 9,809 life and health policy forms of various kinds, including riders, endorsements, applications, etc. A total of 1,918 health insurance rate filings were also reviewed.

Other activities of the Life and Health Division include the analysis of reserves and the issuing of valuation certificates for all domestic life companies and collaboration with other divisions on a variety of life and health insurance issues.

## **MARKET CONDUCT DIVISION**

The Market Conduct Division conducts examinations of licensed insurance companies and health maintenance organizations to verify compliance with Nebraska Insurance Statutes and Regulations and to review treatment of policyholders and claimants. Typical areas of review include advertising and marketing, producer licensing, underwriting and rating, complaint and grievance procedures, claim handling and nonforfeiture handling.

The present staff of the Market Conduct Division consists of eight Market Conduct Examiners.

### **MARKET CONDUCT EXAMINATIONS COMPLETED IN 2004**

<b>Company Name</b>
Capitol Casualty Company
Columbia National Insurance Company
Cornhusker Casualty Company
Great West Casualty Company
Jefferson Pilot Financial Insurance Company
National States Insurance Company
Oak River Insurance Company
Redwood Fire and Casualty Insurance Company

## **PRODUCERS' LICENSING DIVISION**

Any individual, whether or not compensated, who solicits, negotiates, sells to risks located in Nebraska, unless exempted by law, must be licensed as a producer in the appropriate lines of insurance.

No insurance company admitted to do business in this state shall accept applications for, write, place or cause to be written or placed any policy of insurance the solicitation of which involves an insurance producer, or insurance agency and which covers risks located or residing in this state except through a licensed producer who has been appointed by such company or through an individual licensed as a producer acting as a broker in the state.

Any partnership, unincorporated association, corporation or Limited Liability Company, Limited Liability Partnership, or other legal entity transacting business with the public or insurance companies as an insurance producer must be licensed as an insurance agency. The following reflects active licenses for the year ending December 31, 2004:

Resident Producers	16,386	Nonresident Consultants	38
Nonresident Producers	28,876	Agent's Appointments	244,547
Resident Consultants	185	Insurance Agencies	6,957

## **PROPERTY AND CASUALTY DIVISION**

The Property and Casualty Division, pursuant to Chapter 44, Article 75, of the Nebraska Insurance Code, is charged with the responsibility of protecting policyholders and the public against excessive rates and the adverse effects of inadequate or unfairly discriminatory rates. The division also promotes the dissemination of price and other information to enable consumers to purchase insurance suitable for their needs and to foster competitive insurance markets.

The Department now has a dual system to address filings received. For filings subject to Neb. Rev. Stat. §44-7508, consideration will be given on a "File and use" basis. Filings subject to Neb. Rev. Stat. §44-7510 and Neb. Rev. Stat. §44-7511 will continue to be reviewed for approval prior to use by the insurer.

During 2004, the Property and Casualty Division received 3,733 new filings. This number included 154 filings made by advisory organizations. The Division took final action on 3,361 files. Of these, 3,279 represented approvals or those that were accepted on a "File and use" basis. Filings that were disapproved or withdrawn totaled 48. There were 34 files destroyed due to lack of response to our correspondence expressing concerns regarding particular issues with the filing.

## **PROPERTY AND CASUALTY ACTUARIAL DIVISION**

The Actuarial Division provides support for the Examination Division, the Property and Casualty Division, the Excess Liability Fund and the Office of the Director. Duties include review of rates and policy issues for the Property and Casualty Division, review of casualty reserves and actuarial opinions for the Examination Division, review of reserves and assessment levels for the Excess Liability Fund and handling of casualty actuarial and other professional studies for the Department.

## **SENIORS HEALTH INSURANCE INFORMATION PROGRAM (SHIIP)**

The Nebraska Senior Health Insurance Information Program (SHIIP) informs, educates, and assists seniors and those with disabilities to make informed decisions on topics related to health insurance. SHIIP provides assistance to Medicare beneficiaries and caregivers with questions or concerns about Medicare, Medicare supplement insurance, Medicaid and other types of health insurance.

SHIIP currently has more than 200 trained volunteers across the state, providing free and unbiased counseling to the more than 250,000 Nebraska Medicare beneficiaries.